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18 UNITED STATES DISTRICT COURT  
19 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

20 Michael Z. Hermalyn and FVP, LLC,  
21 Plaintiffs,  
22 vs.  
23 DraftKings, Inc.,  
24 Defendant.

Case No. 2:24-cv-00918

**PLAINTIFFS' EX PARTE  
APPLICATION FOR ORDER  
SHORTENING TIME FOR  
HEARING ON PLAINTIFFS'  
MOTION TO REMAND**

[Filed concurrently with Kristovich  
Declaration; [Proposed] Order]

25 Date: February 5, 2024  
26 Time: 9:00 a.m.  
27 Judge: Hon. Mark C. Scarsi  
Courtroom: 7C  
28 Trial Date: None Set

1 **TO THE COURT, ALL PARTIES, AND ALL ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that Plaintiffs MICHAEL Z. HERMALYN and  
3 FVP, LLC (collectively, “Plaintiffs”) hereby apply *ex parte* for an Order Shortening  
4 Time for a hearing on their Motion to Remand this action to California Superior  
5 Court, and respectfully request that their Motion to Remand be heard by this Court  
6 on **Monday, February 5, 2024, at 9:00 a.m.**

7 This Application is based on the Application itself; the attached  
8 Memorandum of Points and Authorities in support thereof; the Declaration of  
9 Bethany W. Kristovich; all papers and pleadings on file herein; and such further  
10 evidence and argument as may be presented to the Court.

11 Pursuant to Local Rule 7-19, Plaintiff’s counsel gave DraftKings notice of  
12 this *Ex Parte* Application on February 2, 2024, at 11:58 a.m., and requested that  
13 DraftKings advise whether and on what basis it would oppose the requested relief.  
14 *See Declaration of Bethany W. Kristovich (“Kristovich Decl.”) ¶¶ 2-3 & Ex. A.*  
15 Plaintiff’s counsel attempted to contact DraftKings’ counsel by email and telephone.  
16 *Id.* ¶ 3. DraftKings has not stated its position with respect to the relief sought.

17 The names, addresses, telephone numbers, and email addresses of  
18 DraftKings’ counsel are as follows:

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23

24 DATED: February 2, 2024

MUNGER, TOLLES & OLSON LLP

25

26 By: /s/ Brad D. Brian

27

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BRAD D. BRIAN  
*Attorneys for Plaintiff*  
MICHAEL Z. HERMALYN

# MEMORANDUM OF POINT AND AUTHORITIES

2 The hearing of this motion on shortened time is necessary because Defendant  
3 DraftKings, Inc.’s (“DraftKings”) improper removal—filed in the face of Mr.  
4 Hermalyn’s efforts to seek a temporary restraining order (“TRO”) in state court—is  
5 designed to (i) avoid recent, governing California state law that renders  
6 unenforceable the restrictive covenants and foreign law/forum provisions at issue;  
7 and (ii) buy DraftKings time to seek a TRO in Massachusetts to enforce these void  
8 contractual provisions against a California resident and employee in violation of  
9 California law. DraftKings should not be permitted to utilize an improper removal  
10 to deprive the California state courts of its jurisdiction, stall Plaintiffs’ first-filed  
11 California proceedings, gain strategic advantage in DraftKings’ anticipated  
12 Massachusetts proceedings, and ultimately prevent Mr. Hermalyn from pursuing  
13 employment that is protected by California law.

14 Mr. Hermalyn recently left DraftKings and moved to California to accept an  
15 offer of employment with Plaintiff FVP, LLC (“Fanatics VIP”), a California-based  
16 affiliate of the digital sports platform Fanatics Holdings, Inc. (together with its  
17 subsidiaries and affiliates, including Fanatics VIP, “Fanatics”). ECF No. 1-5  
18 (Hermalyn Decl.) ¶¶ 2-4. As the President of Fanatics VIP and the Head of  
19 Fanatics’ Los Angeles, California office, Mr. Hermalyn lives and works in Los  
20 Angeles, where Fanatics already employs approximately 80 individuals. *Id.* ¶¶ 5-7.

21       While Mr. Hermalyn was employed with DraftKings, he lived in New Jersey  
22 and worked remotely or in DraftKings' New York office. *Id.* ¶¶ 8-9. DraftKings  
23 presented Mr. Hermalyn with several contracts containing broad, onerous one-year  
24 post-termination non-compete, employee non-solicitation, and client non-solicitation  
25 provisions as a condition of his employment. *Id.* ¶¶ 12-16 & Exs. A & B. Although  
26 Mr. Hermalyn never lived or worked in Massachusetts, those agreements purport to  
27 be governed by Massachusetts law and to require certain litigation in Massachusetts.  
28 *Id.*

1       The California Legislature, with the passage of legislation, made clear that it  
2 would preclude enforcement of restrictive covenants against its residents regardless  
3 of such forum clauses or where and when the contract was signed. Bus. & Prof.  
4 Code § 16600.5. Specifically, California's recently enacted law (effective January  
5 1, 2024) grants California residents a private right of action to enjoin enforcement of  
6 restrictive covenants, ***even if signed outside of California while working for a non-***  
7 ***California employer.*** The legislative history demonstrates that the new law was  
8 intended to encourage individuals to move to California and to give them the right to  
9 sue both: (a) to invalidate restrictive covenants; and (b) to enjoin the former  
10 employer from suing outside California to enforce such covenants.

11       As a California resident and employee, Mr. Hermalyn availed himself of this  
12 new express protection, filing suit yesterday in California state court, together with  
13 Fanatics VIP, claims for declaratory judgment, violation of Section 16600.5, and  
14 unfair competition. ECF No. 1-3 (Complaint). Mr. Hermalyn also sought a TRO to  
15 enjoin DraftKings from seeking to enforce the illegal restraints on trade by suing in  
16 Massachusetts. ECF No. 1-4 (Ex Parte Application for TRO). Mere hours before  
17 that TRO could be heard today, DraftKings rushed to remove to this court on the  
18 purported basis of diversity jurisdiction. ECF No. 1 (Notice of Removal). But  
19 DraftKings' hasty removal is baseless. Because one of the two plaintiffs, Fanatics  
20 VIP, has a Nevada corporation as its sole member, there is no diversity between  
21 Plaintiffs and DraftKings, which is also incorporated in Nevada. Absent complete  
22 diversity between the parties, this Court does not have jurisdiction, as set forth more  
23 fully in the concurrently-filed Motion to Remand.

24       DraftKings' improper actions are interfering with Mr. Hermalyn's rights  
25 under California law to pursue his chosen profession in California and Fanatics  
26 VIP's ability to expand and innovate its California operations. Because DraftKings  
27 apparently intends to file suit in Massachusetts imminently in an attempt to subvert  
28 clear California law and undercut a perceived competitor, Plaintiffs need their

1 remand motion to be heard on an expedited basis so that Mr. Hermalyn can pursue  
 2 his TRO in California state court. On that basis, Plaintiffs respectfully request that  
 3 the Court expedite their concurrently-filed motion to remand to be heard on  
 4 **Monday, February 5, 2024.**

5 Policing vexatious removal *swiftly* is needed to dissuade abuse of the removal  
 6 process, especially when removals are effectuated only to inject delay. *See, e.g.*,  
 7 *U.S. Bank, Nat'l Ass'n as Tr. for Truman 2016 SC6 Title Tr. v. Bonde*, No. 19-CV-  
 8 08464-JCS, 2020 WL 536024, at \*1 (N.D. Cal. Jan. 9, 2020), *report and*  
 9 *recommendation adopted*, No. 19-CV-08464-PJH, 2020 WL 533019 (N.D. Cal. Feb.  
 10 3, 2020) (*sua sponte* remanding case because removal was improper). Courts “have  
 11 recognized that *ex parte* applications are appropriate where, among other  
 12 circumstances, there is a threat of immediate or irreparable injury, and have granted  
 13 such applications to remand where subject matter jurisdiction is lacking.” *Ballard v.*  
 14 *Ameron Int'l Corp.*, No. 16-CV-06074-JSC, 2016 WL 6216194, at \*2 (N.D. Cal.  
 15 Oct. 25, 2016) (granting *ex parte* application to hear request for remand on an  
 16 expedited basis).

17 Accordingly, courts have routinely granted plaintiffs’ *ex parte* applications to  
 18 remand where removal was improper, as is the case here. *See, e.g.*, *Colfin A1-CA4*  
 19 *LLC v. Clark*, No. EDCV 13-1162-CAS (SPx), 2013 WL 3967656, \*1-2 (C.D. Cal.  
 20 Aug. 1, 2013) (granting plaintiff’s *ex parte* application to remand to state court  
 21 because defendant’s removal was untimely and the court lacked subject matter  
 22 jurisdiction); *Fed. Nat'l Mortg. Ass'n v. Bravo*, No. CV 12-10375-CAS-(Ex), 2013  
 23 WL 210198, \*1 (C.D. Cal. Jan. 17, 2013) (granting plaintiff’s *ex parte* application to  
 24 remand to state court because the court lacked subject matter jurisdiction); *U.S.*  
 25 *Bank Nat'l Ass'n v. Gutierrez Hernandez*, No. SACV 10-01508-CJC (MLGx),  
 26 2010 WL 4054451, \*2 (C.D. Cal. Oct. 14, 2010) (same); *No Doubt v. Activision*  
 27 *Publ'g, Inc.*, 702 F. Supp. 2d 1139, 1147 (C.D. Cal. 2010) (granting plaintiff’s *ex*  
 28 *parte* application to remand to state court because claims not preempted by federal

1 law); *Rafiqzada v. U.S. Bank Nat'l Ass'n*, No. C 02-3316 SI, 2002 WL 31430319, at  
2 \*1 (N.D. Cal. Oct. 29, 2002) (granting plaintiff's *ex parte* application to remand to  
3 state court because defendant's removal was untimely); *Wilson v. Asbestos*  
4 *Defendants (BHC)*, No C 01-1015 CRB, 2001 WL 348975, at \*1 (N.D. Cal. Mar.  
5 29, 2001) (granting plaintiff's *ex parte* application to remand based on lack of  
6 diversity).

## MUNGER, TOLLES & OLSON LLP

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<sup>1</sup> Signed electronically by Brad D. Brian with the concurrence of Michael B. Carlinsky, pursuant to L.R. 5-1(i)(3).

## **Local Rule 11-6.1 Certificate of Compliance**

The undersigned, counsel of record for Michael Z. Hermalyn, certifies that this brief contains 1,043 words, which complies with the word limit of L.R. 11-6.1.

DATED: February 2, 2024 MUNGER, TOLLES & OLSON LLP

# MUNGER, TOLLES & OLSON LLP

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BRAD D. BRIAN

*Attorneys for Plaintiff*

MICHAEL Z. HERMALYN